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VIRGINIA BUSINESS REPORT

BUREAU OF BUSINESS RESEARCH, SCHOOL OF BUSINESS ADMINISTRATION
THE COLLEGE OF WILLIAM AND MARY, WILLIAMSBURG, VIRGINIA

Report No. 286 **March, 1984**

LELAND E. TRAYWICK, 1915-1984

Leland Eldridge Traywick, Chancellor Professor of Business Administration, died March 22, 1984 in Williamsburg, Virginia. He was 68. He is survived by his wife of 41 years, the former Harriet J. Nordhem, and two children, Eric and Harriet.

Lee Traywick was a good man. Inherently a decent person, he was respected, admired, and loved by colleagues and students alike. All who came in contact with him were impressed by his courtliness, his wry humor and lack of pretentiousness, despite the deserved honors which came to him in his lifetime.

Born in Okmulgee, Oklahoma, June 7, 1915, Lee Traywick was educated at the University of Missouri, receiving his A.B. in 1936 and his A.M. in 1939. His Ph.D. was awarded by the University of Illinois in 1942, where he majored in economics and minored in history. His professional life was concentrated in education and public service.

Lee Traywick's teaching career began as an Instructor at Stephens College, and included appointments at the University of Illinois, Western Reserve University, Michigan State University, Northern Illinois University and The College of William and Mary. From 1965 through 1967 he was President of the University of Omaha, just prior to coming to William and Mary. Earlier he had been President of Southwest Missouri State College, 1961-1964.

His public service included work with the Committee for Economic Development, a World War II period with the U.S. Army at the Aberdeen Proving Ground, and as an economist with the Office of the Chief of Army Ordnance in Washington. In Virginia he served three governors as an advisory economist, either personally or on the Governor's Board of Advisory Economists; and previously he served on the Council of Economic Advisors to the governor of Michigan. His many other public service contributions in Virginia, Nebraska, Missouri and Michigan would fill more space than is available on this page. He was listed in *Who's Who in America, Who's Who in the Midwest,* and *American Men of Science.* His publications were many and reflected his wide-ranging interests in business and economics, capitalism contrasted with communism, economic development and creation of jobs in private industry.

Lee Traywick was a true renaissance man, equally at home in the rarefied air of economic theory, though with an ability to make the complex exceedingly simple; in history; in educational administration; or in government and business policy. He had the ability to be erudite without losing his students, to be gentlemanly without seeming artificial, to be demanding and kind at one and the same time.

His work with the Bureau of Business Research of this School of Business Administration needs no explanation to the regular readers of this publication. You all knew him well and appreciated his remarkable insight and eloquence.

His colleagues and students extend our sympathy to his family. We will miss Lee Traywick, gentleman and scholar in the best sense of the phrase.

SELECTED BUSINESS AND ECONOMIC INDICATORS
FOR 17 CITIES

TABLE I — Monthly Index Number Comparisons of Current Month to Same Month in Base Period (1977) Base Period = 100

CITY	CITY INDEX*	BANK DEBITS	BUILDING PERMITS	ELECTRICITY CONSUMED	NEWSPAPER ADV LINAGE	NEW CAR REGISTRATIONS	NON AGRICULTURAL EMPLOYMENT	WATER CONSUMED	RETAIL SALES †	POSTAL RECEIPTS
The State		247.0	128.8	138.1	84.9	94.5	266.7	78.4	145.2	116.5
Alexandria	136.3	234.3	228.0	144.1	N.A.	105.5	115.7	81.8	131.1	N.A.
Bristol	135.3	210.3	41.0	135.8	71.1	84.1	N.A.	98.8	123.9	249.3
Cape Charles - Exmore	118.6	174.3	79.6	61.7	N.A.	85.8	N.A.	N.A.	100.2	207.5
Charlottesville	183.9	330.5	133.8	129.4	N.A.	113.5	N.A.	102.5	172.0	279.6
Danville	109.7	N.A.	86.2	101.9	91.7	89.8	N.A.	73.1	103.3	211.5
Franklin	118.0	N.A.	20.5	117.6	89.6	100.3	N.A.	87.6	107.1	227.0
Fredericksburg	133.3	72.2	55.7	N.A.	119.9	148.5	N.A.	53.9	139.0	254.9
Harrisonburg	144.9	204.7	118.6	N.A.	125.9	70.9	N.A.	122.8	136.2	226.3
Lynchburg	176.6	216.1	52.0	129.1	N.A.	95.3	N.A.	110.6	124.8	487.8
Newport News - Hampton	116.0	178.9	247.2	120.7	68.9	76.1	119.4	105.2	124.9	N.A.
Norfolk - Va. Beach - Portsmouth	121.6	90.9	195.7	152.7	76.6	91.2	138.9	66.5	159.2	N.A.
Petersburg	112.7	154.4	88.4	N.A.	60.2	63.3	N.A.	81.3	114.3	199.8
Richmond	139.2	280.1	N.A.	155.2	98.5	89.1	114.5	85.6	107.3	246.8
Roanoke	166.5	475.3	20.5	109.9	115.9	74.4	104.4	97.4	144.2	255.7
Staunton										
Williamsburg	125.1	150.2	167.7	149.9	N.A.	99.5	N.A.	73.5	87.0	266.7
Winchester	137.5	210.7	58.6	138.0	142.5	104.5	N.A.	126.2	101.3	211.8

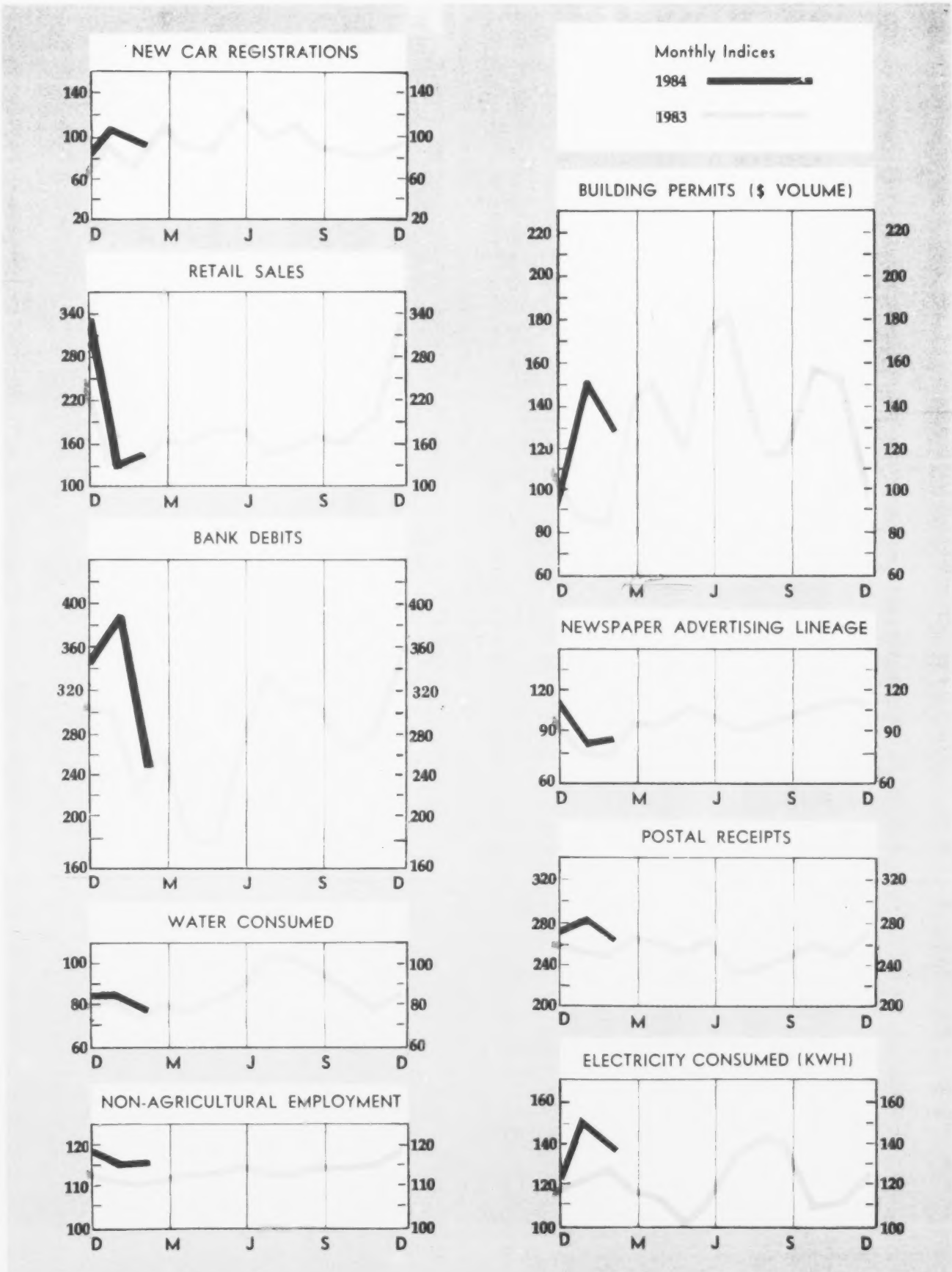
TABLE II — February, 1984 — Percentage Change from same month last year

CITY	CITY INDEX*	BANK DEBITS	BUILDING PERMITS	ELECTRICITY CONSUMED	NEWSPAPER ADV LINAGE	NEW CAR REGISTRATIONS	NON AGRICULTURAL EMPLOYMENT	WATER CONSUMED	RETAIL SALES †	Jan.-RETAIL SALES ‡
The State		12.6	49.2	8.0	18.2	41.8	5.0	7.2	16.2	25.0
Alexandria	20.8	19.2	347.8	3.3	N.A.	40.9	6.9	11.3	21.5	22.5
Bristol	24.9	16.5	-41.0	12.0	0.6	42.0	4.2	60.3	29.6	19.9
Cape Charles - Exmore	0.3	28.0	+72.2	+47.3	N.A.	76.7	N.A.	N.A.	-18.6	35.5
Charlottesville	22.0	71.3	181.1	4.9	N.A.	65.1	3.8	3.8	8.4	35.2
Danville	13.1	N.A.	81.1	6.5	23.3	68.8	2.1	-0.9	7.9	27.9
Franklin	22.2	N.A.	-41.4	4.9	2.7	74.1	N.A.	29.9	14.5	143.0
Fredericksburg	35.0	38.1	-58.2	N.A.	14.9	25.1	N.A.	10.9	35.3	98.4
Harrisonburg	16.6	48.5	237.4	N.A.	26.4	7.4	N.A.	9.4	14.9	35.7
Lynchburg	19.6	0.1	-3.1	8.0	N.A.	66.0	4.8	21.2	18.9	33.5
Newport News - Hampton	9.9	20.8	109.1	4.2	14.1	18.2	6.6	13.6	2.1	16.3
Norfolk - Va. Beach - Portsmouth	14.1	17.0	24.6	5.1	16.3	33.9	6.2	-0.2	16.2	28.6
Petersburg	8.9	1.7	177.6	N.A.	5.0	41.7	-2.2	-7.0	10.8	29.6
Richmond	16.4	6.4	10.9	22.4	18.8	40.9	4.0	6.6	16.2	28.0
Roanoke	26.2	33.2	76.2	13.1	24.6	74.2	4.6	9.6	25.7	26.3
Staunton	13.4	10.4	-0.9	N.A.	12.0	14.8	N.A.	N.A.	1.1	-1.5
Williamsburg	8.3	-32.4	334.1	4.0	N.A.	24.3	N.A.	25.2	5.3	15.7
Winchester	19.1	29.0	119.2	17.6	19.3	40.3	N.A.	22.9	7.6	28.2

TABLE III — Percentage Change January - February from same period last year

CITY	CITY INDEX*	BANK DEBITS	BUILDING PERMITS	ELECTRICITY CONSUMED	NEWSPAPER ADV LINAGE	NEW CAR REGISTRATIONS	NON AGRICULTURAL EMPLOYMENT	WATER CONSUMED	RETAIL SALES †	Jan.-Feb. RETAIL SALES
The State		20.1	94.7	16.5	12.9	30.7	4.1	7.2	3.4	20.0
Alexandria	18.0	44.0	119.6	32.9	N.A.	29.4	N.A.	4.9	16.6	20.4
Bristol	19.4	+2.4	34.0	35.6	-1.8	37.6	3.0	12.7	23.6	10.8
Cape Charles - Exmore	7.1	10.1	-81.5	-37.6	N.A.	39.5	N.A.	N.A.	-14.8	10.1
Charlottesville	12.7	36.9	344.6	13.2	N.A.	13.9	4.2	-19.5	4.3	14.2
Danville	10.2	N.A.	624.8	7.0	17.0	43.0	2.8	12.7	4.3	11.6
Franklin	13.9	N.A.	-34.0	12.8	4.3	34.9	N.A.	1.9	5.9	8.3
Fredericksburg	25.5	29.1	-66.1	N.A.	4.1	30.7	N.A.	4.8	13.8	22.4
Harrisonburg	13.4	19.4	91.1	N.A.	10.5	16.5	N.A.	16.4	11.3	16.2
Lynchburg	13.4	0.2	-18.8	12.9	N.A.	30.8	4.8	26.7	14.7	11.3
Newport News - Hampton	11.0	20.5	+6.1	13.4	12.8	22.1	5.4	10.9	2.1	14.8
Norfolk - Va. Beach - Portsmouth	10.2	16.3	42.7	16.9	14.4	25.1	5.1	2.7	14.7	17.4
Petersburg	7.9	10.3	626.8	N.A.	3.8	28.6	0.9	8.4	4.8	13.9
Richmond	13.3	7.1	-8.8	20.1	11.4	44.1	5.1	7.5	9.3	18.0
Roanoke	11.3	42.2	-20.7	14.1	16.4	42.0	3.9	4.8	17.7	16.9
Staunton	4.4	20.8	1.8	N.A.	7.9	19.2	N.A.	N.A.	-0.2	5.1
Williamsburg	4.8	-6.0	98.2	24.0	N.A.	10.4	N.A.	19.0	1.4	15.7
Winchester	14.6	15.1	60.6	20.1	5.2	19.6	N.A.	21.3	5.4	21.7

*Computation of City Index is based upon a weighted arithmetic mean of all business and economic components listed except Building Permits, which is excluded because of its highly erratic nature.
†Preliminary data based on a survey sample.
‡Revised data based on sales tax information which lags behind current reports.


Monthly Indices
1984
1983
NEW CAR REGISTRATIONS
140
100
60
20
D
M
J
S
D
RETAIL SALES
340
280
220
160
100
BANK DEBITS
400
360
320
280
240
200
160
WATER CONSUMED
100
80
60
NON-AGRICULTURAL EMPLOYMENT
120
110
100
BUILDING PERMITS ($ VOLUME)
220
200
180
160
140
120
100
80
60
NEWSPAPER ADVERTISING LINEAGE
120
90
60
POSTAL RECEIPTS
320
280
240
200
ELECTRICITY CONSUMED (KWH)

Business in Virginia February, 1984, Data

Last month, we were concerned that February might yield a question mark about the staying power of consumer demand, as it did in 1983. Nationally, a weakening did occur: personal income rose 0.7 percent, but consumer spending fell a steep 0.7 percent. However, in Virginia there was no weakness in consumption. After the slight pause in January, Virginia consumers showed in February that consumer demand still was advancing strongly, providing the base for further gains in 1984.

Our retail sales sample in January showed a 0.9 percent decline, but in February soared to a 16.2 percent gain statewide. For all 17 urban areas covered, the percentage change in February was equal to or higher than the January percentage changes. Our sample primarily measures demand for non-durables and services, typically the sustaining force in consumer demand as an expansion matures. Thus, this type of consumer demand is showing significant strength, a trend which is likely to continue throughout the spring.

The unexpected factor was the strong rebound in the growth of new car registrations. After the December growth of 43.4 percent for the State, the easing to a 22.8 percent growth in January was quite normal. But, in February new car registrations rebounded to a 41.8 percent growth rate, compared to February 1983. Thirteen of the seventeen areas reported higher growth of new car registrations in February than in January. Thus consumer durable goods demand currently is much stronger than had been anticipated.

The building permit activity in February also was strong, with a 49.4 percent increase over last February. However, there are mixed results here. Ten of the urban areas reported increases compared to February 1983, but only nine of the seventeen had growth rates higher than in January. If one looks at January and February combined, only six urban areas had higher growth rates than in the same period last year. So building plans remain strong, but with uneven patterns around the State, and continued strength is not assured by the present trends.

Virginia nonagricultural employment rose by 5.0 percent in February, the fifth month in a row that the growth rate has been higher than in the preceding month. Five of the eight urban areas for which data are available had higher growth rates than in January; and only one city, Petersburg, had a lower level of employment than in February, 1983.

Overall, the Virginia economy is continuing to expand at a very substantial pace, with almost all areas of the State experiencing high real growth in economic activity. This growth is not yet pressing the limits of our production facilities, but it is creating a tightening labor market in nearly all of the urban areas. If these growth rates do not moderate soon, the availability of workers to match the requirements of the new jobs created will become a problem, putting a supply constraint on future growth.

Nationally, high growth is raising potential problems, too. The "flash" estimate on March 20 predicted that real output nationwide would increase by 7.2 percent in the first quarter of 1984, an unsustainable rate of growth. If it does not ease in the second quarter, the Federal Reserve Board undoubtedly will take action to force moderation, by tightening monetary growth. Such tightening will mean less liquidity and higher interest rates, causing interest-sensitive demand to slacken.

Will consumer and business demand moderate by themselves? In the past they have, as the expansion matures. But, this time consumer sentiment, their optimism about their personal situation and the future, is at the highest level since 1965. And, business inventories in manufacturing and trade are at their lowest levels relative to sales since November 1973. These are factors which could mean continued high growth nationally. The second quarter of 1984 will be the key to the future. Either growth will fall of its own accord to the 4 to 4.5 range, avoiding the need for tighter monetary conditions; or overheating will continue, with reduced availability of money and rising interest rates. We still hope for the former, but recent national developments have reduced our confidence that it will occur.

Chart I

Nine Selected Business & Economic Indicators Percentage Change

Percentage Change February, 1984 from February, 1983

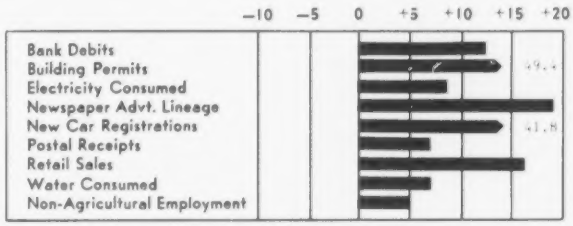
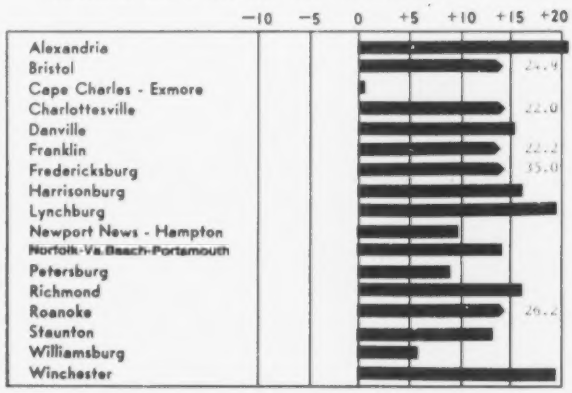


Chart II

City Indices

Percentage Change February, 1984 from February, 1983



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